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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, AUGUST 24, 1999

JOINT APPLICATION OF

CASE NO. PUA990041

MCI WORLDCOM, INC., WORLDCOM NETWORK SERVICES, INC., MFS COMMUNICATIONS COMPANY, INC., MCI COMMUNICATIONS CORP., MCI TELECOMMUNICATIONS CORP., WORLDCOM TECHNOLOGIES, INC., VIRGINIA WORLDCOM, INC., MCIT OF VIRGINIA, INC., AND WORLDCOM TECHNOLOGIES OF VIRGINIA, INC.

For approval of utility transfers and related transactions
and for authority to change names

ORDER GRANTING APPROVAL

On July 1, 1999, MCI WorldCom, Inc. ("MCI WorldCom"), and its operating subsidiaries, WorldCom Network Services, Inc. ("WNS"), MFS Communications Company, Inc. ("MFSCC"), MCI Communications Corp. ("MCIC"), MCI Telecommunications Corp. ("MCIT"), WorldCom Technologies, Inc. ("WT"), Virginia WorldCom, Inc. ("VWI"), MCITV of Virginia ("MCITV"), and WorldCom Technologies of Virginia, Inc. ("WTV"), (collectively, "Applicants" or "the MCI WorldCom Companies") filed a completed joint application with the Commission under the Utility Transfers Act. In the joint application Applicants request approval to reorganize the existing corporate structure and to complete a series of internal transactions in order to consolidate Applicants' long distance operations. These actions will result in the transfer of control of Virginia telecommunications companies and will consolidate several

related companies that currently provide intrastate long distance telecommunications services in Virginia.

In Case No. PUA970052, the Commission approved the merger of MCIC and WorldCom, Inc. (“WorldCom”). MCI WorldCom now serves millions of consumers with long distance, local, Internet, data, and other communications services. MCI WorldCom is a publicly held Georgia corporation whose principal offices are located in Clinton, Mississippi, and is the ultimate parent of the MCI WorldCom Companies. MCI WorldCom’s operating subsidiaries are authorized to provide telecommunications services in all fifty states.

MCIC is a holding company for a number of entities including MCIT. MFSCC is currently a holding company for a number of entities including WT and WTV. WT is a Delaware corporation whose operations include the provision of telecommunications services. WTV, a subsidiary of WT, is a Virginia corporation that provides intrastate telecommunications services in Virginia. The operations of WNS include the provision of long distance telecommunications services primarily to other carriers. VWI, a subsidiary of WNS, is a Virginia corporation that provides intrastate telecommunications services in Virginia. MCIT’s operations include the provision of long distance service to end-users and to other carriers. MCITV, a subsidiary of MCIT, is a Virginia corporation that provides intrastate telecommunications services in Virginia.

In the joint application Applicants request specific approval for the following transactions:

- 1) Applicants propose to merge MFSCC, a holding company, into MCIC, also a holding company. After the merger, MFSCC will no longer exist as a legal entity.

- 2) Applicants propose to transfer the stock of WT, owner of WTV, from MCIC to MCIT, owner of MCITV, so that WT will become a subsidiary of MCIT.
- 3) Applicants propose to merge WNS, owner of VWI, into MCIT. Because WNS will no longer exist as a legal entity, Applicants also seek to cancel WNS' operating authority.
- 4) Applicants propose to transfer MCIT's retail operations to WT. Following the transfer, regulated intrastate telecommunications services currently provided by MCIT will be provided by WT.
- 5) After all of the above transactions have taken place, Applicants propose to rename the surviving entities to reflect the WorldCom/MCI merger. WT will be renamed MCI WorldCom Network Services, Inc. MCIT will be renamed MCI WorldCom Network Services, Inc. MCITV will be renamed MCI WorldCom Network Services of Virginia, Inc.

As described in the joint application, the main result of the proposed reorganization is that WT, under the new name of MCI WorldCom Communications, Inc., will provide retail long distance service to its existing customers and to customers formerly served by MCIT. MCIT, under the new name of MCI WorldCom Network Services, Inc., primarily will provide long distance service to other carriers formerly served by WNS. MCITV and WTV will continue to provide service in Virginia and will be renamed MCI WorldCom Telecommunications of Virginia, Inc., and MCI WorldCom Technologies of Virginia, Inc., respectively.

Applicants represent in the application that the proposed reorganization is an internal administrative action needed to implement further the previously approved merger of WorldCom and MCIC. Following the MCI/WorldCom merger, MCIT, WT, and WNS have been providing

intrastate interexchange telecommunications services to end-users. WNS and MCIT have been providing interexchange service to other carriers.

Following the proposed reorganization, MCIT, under the new name of MCI WorldCom Network Services, Inc., will provide interexchange service primarily to other carriers. WT, under the new name of MCI WorldCom Communications, Inc., will continue to provide interexchange service and, in many states, local service to end-users. The redundant operations of WNS will cease to exist.

Applicants state that the proposed reorganization will have no adverse impact on consumers in Virginia and that, by approving the transfer of control and reorganization, adequate service to the public at just and reasonable rates will not be impaired or jeopardized.

Interexchange service will continue to be provided over the same transmission facilities and infrastructure MCI WorldCom currently is using. Customer service will continue to be provided by the same teams of representatives. Applicants represent that they will provide affected customers notice of the change in the name of their telecommunications services provider in accordance with Commission regulations. MCI WorldCom also will make the appropriate tariff changes.

In the joint application, Applicants represent that the combining of redundant WNS and MCIT network facilities will result in significant efficiencies and will, therefore, achieve savings in designing and operating the long distance network and in procuring the required equipment and facilities.

THE COMMISSION, upon consideration of the joint application and representations of Applicants and having been advised by its Staff, is of the opinion and finds that the above-described internal reorganization and transfers of control, will neither impair nor jeopardize the

provision of adequate service to the public at just and reasonable rates and should, therefore, be approved. Applicants will, however, need to make the appropriate filings with the Clerk of the Commission to reflect the name changes referenced herein. Accordingly,

IT IS ORDERED THAT:

- 1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, Applicants are hereby granted approval of the proposed internal reorganization and related transfers of control as described herein.
- 2) There appearing nothing further to be done in this matter, it hereby is dismissed.